

REMARKS

This Amendment Under 37 C.F.R. §1.116 is in response to the final Office Action mailed October 4, 2006. A Request for Continued Examination (RCE) is filed herewith.

At the outset, the undersigned wishes to thank Examiner Hewitt for his time and courtesy during the recent telephone interview in this case. As the Examiner will note, the claims have been amended substantially as discussed and suggested during the telephone interview.

In particular, the independent claims have been amended so as to emphasize the interaction of the bank and the authenticated parties to the transaction with the secure computer site and the contingencies listed therein. Specifically, the claims now recite that the bank removes the contingency or contingencies at the request of authenticated parties to the transaction, and updates the computer site to provide a current status of the transaction. The bank then is recited to determine whether each of the contingencies has been removed and to refuse to release payment on the draft until it is determined that each contingency has been removed by authenticated parties to the transaction that are so authorized. Payment is then recited to be released by the bank only when all contingencies listed in the secure computer site are determined to have been removed by the bank at the request of authorized parties to the transaction.

I. Arguments relative to the “Response to Arguments”

As discussed during the interview, the amended claims are no longer silent as to what steps are taken when the conditions are not satisfied: the refusing to release and the releasing steps are now positively recited.

The drafts recited in the claims are now believed to be sufficiently definite to satisfy both the Examiner and the requirements of the MPEP. Specifically, claim 1 includes recitations drawn

to a draft with contingencies (iDraftC® in the present application), whereas claim 24 includes recitations drawn to iDraftC®-type transactions with iPBond™ liquidated damages, which are specifically discussed in the specification.

The claims have been amended along the lines suggested by the Examiner during the recent telephone interview, so as to obviate any basis that the claim language reads on “a rearrangement of nonfunctional descriptive material.” Specifically, the claims now positively recites steps (actions) taken by the bank on its own, or at the request of authenticated parties to the transaction that are authorized to remove one or more of the contingencies listed (provided, shown) on the secure computer site.

II. Claim Rejections Under 35 U.S.C. §112(2)

Claims 1-23 and 38 were rejected as failing to comply with the enablement requirement under 35 U.S.C. §112(1). Reconsideration and withdrawal of these rejections are respectfully requested.

In the outstanding Office Action, the Office states that:

..however, not all types of “drafts” are shown at a secure computer site.

The Examiner appears to indicate that the specification mentions several flavors of drafts, whereas the claims only recite the term “draft”, thereby failing to meet the enablement requirement.

It is respectfully submitted that the claims are, indeed, suitably enabled by the specification. The specification includes full enabling support for a draft shown or provided at a secure computer site, together with contingencies that must be removed by an authenticated party to the transaction accessing the secure computer site and requesting the bank to remove one or more of the listed contingencies. It is respectfully submitted that the claims are fully supported

by an enabling specification – see, for example, the real estate example beginning at page 53 of the specification.

Claims 1-43 were also rejected as being indefinite under 35 U.S.C. §112(2). Reconsideration and withdrawal of these rejections are respectfully requested, for the following reasons.

Applicant stands by the definition of “draft” as a written order by a drawer, instructing a drawee to make a payment to a payee. The specification uses the shorthand notations “iDraft”, “iDraftC” (a contingent iDraft) followed by the “™” device to denote transactions conforming to the iDraft™ system or association, as such is exhaustively described in the written portion of the specification and in the drawings. The claims define the invention which the applicants seek to protect, and the functionality and/or constraints placed on the draft and/or the release of funds thereon are positively claimed, and do not depend upon the use of some trademark, such as iDraft™, iDraftC™ and/or iLofC™, as used in the specification. When the draft is to be linked to a letter of credit or other financial instrument, the claims so state. It is respectfully submitted that there is no obligation for the independent claims to be limited to one of the different flavors of drafts discussed in the specification, just as there is no obligation for the independent claims to be generic to all of them.

There is no ambiguity or uncertainty relative to the draft or the online letter of credit or the manner in which they interact. As discussed during the interview, the Examiner is kindly urged to examine the language of the amended claims and not rely upon trademarks that are not recited in the claims to define the claimed subject matter. As a general rule, trademarks do not function well in defining the subject matter that the applicant seeks to protect. In this case,

consequently, the terms iDraft™, iDraftC™ and the like are avoided in favor of a clear and positive recitation of the subject matter sought to be protected.

It is respectfully submitted that the amended claims are suitably definite so as to define the subject matter of the present inventions with the requisite degree of specificity to satisfy the requirements of §112(2). Reconsideration and withdrawal of these rejections are respectfully requested.

III. Rejections Under 35 U.S.C. §103(a)

Independent Claim 1

Ogilvie was relied upon exclusively for a teaching of authenticating parties to an escrowed transaction. Abecassis does not teach or suggest even the first recited step of amended claim 1:

establishing a secure computer site that shows a representation of essential terms of the draft and that shows at least one contingency that must be satisfied for the financial service provider to release payment on the draft, the site being controlled by a financial service provider and accessible only to authenticated parties to the transaction;

Indeed, Abecassis does not teach or suggest the establishment of a secure computer site that shows a representation of essential terms of a draft and that shows at least one contingency that must be satisfied for the FSP to release payment on the draft, as required by claim 1.

Amended claim 1 then continues to recite a step of:

creating a first online Letter of Credit linked to a drawer of the draft and including predetermined terms, satisfaction of the terms being a precondition to the financial service provider releasing any payment from the created first online Letter of Credit;

The Office acknowledges that the Abecassis-Ogilvie combination does not teach or suggest creating an online Letter of Credit as claimed, and points to Case as providing the missing subject matter.

Case teaches a paper and cardboard Letter of Credit device that is configured to operate in conjunction with paper checks. When a traveler is remote from his or her bank, he or she may still write a check by presenting the Letter of Credit device that is tied to his or her checking account. Each time a check is written, the amount of the check is entered on the Letter of Credit device, and the amount noted therein by punching out holes in the appropriate columns 40. The check is also hole-punched, indicating that the check is to be processed according to the terms of the Letter of Credit. When the check is not hole-punched, it is processed according to the normal check cashing procedures. The paper Letter of Credit shows the available credit limit of the bearer thereof, this available credit being decremented each time the traveler uses the paper Letter of Credit.

Keeping the foregoing in mind, the Examiner is kindly request to consider the following:

- Abecassis does not teach or suggest any “**secure computer site that shows a representation of essential terms of the draft and that shows at least one contingency that must be satisfied for the financial service provider to release payment on the draft, the site being controlled by a financial service provider and accessible only to authenticated parties to the transaction**” as claimed. The passage identified by the Examiner (Fig. 1A, Column/line 5/65-6/7) does not teach a secure computer site that is accessible only to authenticated parties to the transaction.
- Case does not teach an online Letter of Credit. **Case teaches a paper Letter of Credit from which institutions must punch out holes as it is used.**

Case does not teach or even remotely suggest an online Letter of Credit or how his paper Letter of Credit could be used in conjunction with an electronic system. Nonetheless, the Office points to Case’s 1970’s era punch-card paper Letter of Credit system used in combination with paper checks and states that “it would have been obvious to one of ordinary skill to combine the prior art teachings in order to protect drawer and drawee private information ... and to enable a

drawer (e.g., a traveler) to make a purchase using the system of Abecassis ... while remote from the drawer's issuing bank...”, without giving any cogent reason why such would have been obvious or how Case's paper Letter of Credit could be used as suggested. It is respectfully submitted that there is no teaching or suggestion in Case regarding how a hole-punched paper booklet (see Fig. 1) containing a Letter of Credit could be used in combination with an electronic system as taught by Abecassis. Even considering the references collectively, Abecassis-Ogilvie-Case do not teach or suggest the claimed invention, nor has the Office pointed to way of using a punch-card type Letter of Credit as taught by Case in the Abecassis-Ogilvie combination – nor would any way of doing so somehow occur to those of ordinary skill in the art.

The applied combination also does not teach or suggest

removing, by the bank, the at least one contingency shown on the accessed secured computer site at a request of an authenticated party to the transaction that is authorized to remove the contingency and that has accessed the secure computer site;

updating the computer site to provide a current status of the transaction to authenticated parties to the transaction having accessed the updated computer site, the provided current status of the transaction including any remaining ones and removed ones of the at least one contingency;

determining, by the bank, whether each of the at least one contingency has been removed;

refusing to release payment on the draft to a drawee of the draft until the determining step determines that each of the at least one contingency has been removed by the bank upon request by an authenticated party to the transaction that is authorized to remove the contingency, and

releasing payment on the draft to a the drawee of the draft upon the determining step determining that each of the at least one contingency has been removed by the bank upon request by an authorized party to the transaction, at least a portion of the released payment originating from the created first online letter of credit.

The Abecassis-Ogilvie-Case combination cannot reasonably be said to teach a bank removing a contingency at a request of an authenticated party to the transaction, updating a secure computer site to so reflect, determining whether each of the contingencies have been removed, and refusing to release payment on the draft as until the determining step determines

that each contingency has been removed by the bank at the request of an authenticated party to the transaction having accessed by secure site for that purpose, as claimed herein.

The applied combination of references, therefore, does not teach or suggest the subject matter of claim 1 and that of its dependent claims. Reconsideration and withdrawal of the rejections under 35 U.S.C. §103(a), applied thereto, are, therefore, respectfully requested.

Independent claim 24

As discussed in detail relative to claim 1 (with which amended independent claim 24 shares the first claim step), Abecassis does not teach or suggest the establishment of a secure computer site that shows a representation of essential terms of the draft and that shows at least one contingency that must be satisfied for the financial service provider to release payment on the draft, the site being controlled by a financial service provider and accessible only to authenticated parties to the transaction, as claimed. Although Ogilvie may generally teach authentication of buyer and seller, the applied combination cannot be said to teach or to suggest the establishment of a secure computer site controlled and accessible as claimed herein. Again, none of the passages identified by the Examiner teach or suggest any form of a computer site, whether controlled and accessible as claimed or not. Attention should be directed to the Office's own guidelines on establishing a prima facie case of obviousness:

To establish a *prima facie* case of obviousness, three basic criteria must be met. First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings. Second, there must be a reasonable expectation of success. Finally, the prior art reference (or references when combined) must teach or suggest all the claim limitations. The teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art and not based on applicant's disclosure. *In re Vaeck*, 947 F.2d 488, 20 USPQ2d 1438 (Fed. Cir. 1991). See MPEP § 2143 - § 2143.03 for decisions pertinent to each of these criteria. (Underlining added for emphasis)

In the present case, not only is a reasonable expectation of success absent, but the combination would utterly fail to teach or to suggest all of the claim limitations, as developed above. At the very least, the combination does not teach or suggest establishing the claimed secure computer site, thus failing the test for obviousness. The Office's interpretation of Abecassis to include a teaching of a secure computer site as claimed when the reference itself is silent on the issue is believed to be untenable.

Claim 24 then continues:

creating a first online performance bond, the first online performance bond defining one of first liquidated damages to be paid to a drawer of the draft upon non-performance of the drawee and second liquidated damages to be paid to a drawee of the draft upon non-performance of the drawer;

authenticating each party to the transaction requesting access to the secure computer site to a satisfaction of the financial service provider;

removing, by the bank, the at least one contingency shown on the accessed secured computer site at a request of an authenticated party to the transaction that is authorized to remove the contingency and that has accessed the secure computer site;

updating the computer site to provide a current status of the transaction to authenticated parties to the transaction having accessed the updated computer site, the provided current status of the transaction including any remaining ones and removed ones of the at least one contingency;

determining whether each of the at least one contingency has been removed;

refusing to release payment on the draft to a drawee of the draft until each of the at least one contingency has been removed, within the predetermined time period, by the bank upon request by an authenticated party to the transaction that is authorized to remove the contingency, and

releasing payment on the draft to a drawee of the draft only when both drawer and drawee perform and only when each of the at least one contingency has been removed by the bank, within the predetermined time period, upon request by an authenticated party to the transaction that is authorized to remove the contingency;

paying the first liquidated damages to the drawer upon non-performance of the drawee or upon occurrence of a first event and withholding payment of the first liquidated damages otherwise; and

paying the second liquidated damages to the drawee upon non-performance of the drawer or upon occurrence of a second event and withholding payment of the second liquidated damages otherwise.

The Office, in its rejection of claim 24 and its dependent claims, asserts that “performance bonds are old and well known.” However, the claimed embodiment of Applicant's

invention is not simply a performance bond. Instead, the claim recites that each party requesting access to the established secure computer site is authenticated and the method requires that the secure computer site be updated by the bank and a determination whether all contingencies have been removed and either refusing to release or releasing the payment when all of the contingencies shown in the secure computer site are removed. The method also requires that the first or second liquidated damages as defined in the created online performance bond be paid upon the occurrence of first or second events, respectively. Unless the applied combination of references teaches or suggest all of the claimed limitations, the claim must be allowed. In this case, the applied combination of references does not teach or suggest the creation of any such computer site that shows the essential terms of the draft, the creation of an online performance bond or carrying out one of the listed steps upon occurrence of the specified events, as claimed.

For example, the passage in Abecassis cited in the Office Action as being relevant to the claims, at col. 6, lines 8-35 is reproduced here:

The overall function of the deposit protection center 40 is to process inputs provided from the communications equipment 100, verify credit-related information on that equipment, such as a user PIN number, determine the purchaser's deposit limit, debit the deposit account and then process and send payment once there is a determination that the transaction has been successfully completed (i.e. by successful delivery of goods to purchaser).

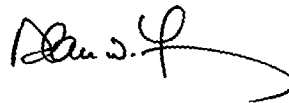
The deposit center can be implemented by one or several computers or other suitable logic devices that are connected to modems to the communications equipment 100 and that include substantial memory capacity. The computer also connects to an escrow source that is adapted to automatically credit and debit designated accounts based upon inputs to the center 40. As previously mentioned, the computer(s) forming center 40 also may interface with electronic credit card systems, such as illustrated in Nagata et al., U.S. Patent No. Re 32,985 which is incorporated herein by reference through the credit management third party linkage 45. In addition, or alternatively, the linkage 45 can integrate center 40 with conventional electronic banking systems, such as that disclosed in Case, U.S. Pat. No. 4,270,042, the disclosure of which also is incorporated herein by reference. Details relating to the operation of center 40 as well as the other hardware elements is provided below in FIGS. 2-5.

The deposit protection center 40 is never disclosed to include or establish a secure computer site that shows the essential terms of the draft or that is controlled by the financial service provider, nor is the deposit protection center 40 of Abecassis ever disclosed (in this passage or in the remainder of the reference) to carry out any step of creating an online performance bond or ever carrying out a step of paying first or second liquidated damages (defined in the created online performance bond), as specifically claimed herein. Reconsideration and withdrawal of the obviousness rejections applied to claims 1-43 are, therefore, respectfully requested.

It is respectfully submitted that the 35 U.S.C. §103(a) rejections applied to the pending claims are untenable, and should be withdrawn. The same, therefore, is respectfully requested.

Applicant believes that this application is now in condition for allowance. If any unresolved issues remain, please contact the undersigned attorney of record at the telephone number indicated below and whatever is necessary to resolve such issues will be done at once.

Respectfully submitted,



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By: _____

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